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GENERAL

1. Bevin approves move of B-29's to UK--US Ambassador Douglas in London reports that Foreign Secretary Bevin has given complete clearance for the movement of two US B-29 bomber groups to bases in the UK. Bevin feels that any publicity about the move should avoid linking it with the situation in Berlin and should take the line that the bombers are engaged in long-range exercises.



EUROPE

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2. ITALY: Italians hesitant on western European union--According to US Ambassador Dunn, Foreign Minister Sforza has expressed the view that Italian public opinion is hesitant regarding Italian participation in the western European union. Sforza reportedly believes that the appeal of neutrality is growing among Italians and that this attraction will further increase whenever it becomes public knowledge that US policy considers Italy without the slightest utility as a base for operations in case of war. Dunn reports that a minority of officials in the Italian Foreign Office have urged for some time that Italy endeavor to enjoy friendly relations with both the east and west and avoid too close an association with either.

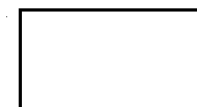


(CIA Comment: CIA believes that these views are important factors in Italy's objection to entrance into a western union. Moreover, Italian leaders are eager for revision of the military clauses of the Italian peace treaty before undertaking military commitments, and may doubt that a military alliance with the west would actually improve Italy's defensive situation in the event of war.)



FAR EAST

3. CHINA: National Government position appears hopeless--US Embassy Nanking believes that long continued survival of the Chiang Kai-shek Government is highly doubtful. The Embassy expects impending political developments to consist of



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State Department review completed

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NO CHANGE in Class. ☐

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the establishment of regional regimes. The Embassy is of the opinion that Li Tsung-jen (Nationalist vice president) and Fu Tso-yi (principal Nationalist military leader in North China) may have already decided to part with Chiang Kai-shek. The Embassy further reports the strong likelihood that the Hong Kong Kuomintang revolutionary committee of Li Chi-shen will in the near future set up a provisional government which may find support in one or more provinces. The Embassy considers that the position of the present Government has so deteriorated that US influence is probably powerless to stabilize it.

(CIA Comment: CIA concurs in the Embassy views that political and military power in Nationalist China is passing into the hands of regional leaders. Even in these circumstances, the National Government might continue to exist with diminishing authority for some time. Although regional leaders profess their determination to continue resistance to Communism, the expected political changes would increase the possibilities of negotiations with the Communists, probably on a regional basis.)

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